

REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA

**GOLDEN GATE BRIDGE, HIGHWAY AND
TRANSPORTATION DISTRICT: RESPONSE TO
QUESTIONS POSED BY THE LEGISLATURE**

REPORT BY THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

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GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT:
RESPONSE TO QUESTIONS POSED BY THE LEGISLATURE

FEBRUARY 1982



California Legislature

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February 19, 1982

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The Honorable President pro Tempore of the Senate
The Honorable Speaker of the Assembly
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report responding to questions posed by the Legislature regarding the Golden Gate Bridge, Highway and Transportation District. Specifically, the report discusses the adequacy of the district's revenue and expenditure records, the comparability of compensation levels of the district directors and senior management to similar transportation districts, the comparability of travel policies and costs to similar districts, the district's memberships in professional organizations, the cost of lobbying activities, information about the ferryboat riders, and the district's conformance with affirmative action requirements.

Respectfully submitted,



WALTER M. INGALLS
Chairman, Joint Legislative
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SUMMARY

The Golden Gate Bridge, Highway and Transportation District (district) is a special district within the State of California. The district operates the Golden Gate Bridge and provides public transit services in Marin, Sonoma, and San Francisco counties. This report answers specific questions about the district that were posed by the Legislature. These questions deal with several areas: the district's financial records and funding sources; the compensation and benefits received by the district's board of directors and the district's managers; the district's travel reimbursement policy and costs; the district's membership in professional organizations; the cost of the district's lobbying activities; the district's ferryboat operations; and the district's adherence to affirmative action requirements.

During our review, we found that the financial records of the district permit a thorough evaluation of revenues and expenditures. Although the district pays for operations from a single cash account, the accounting records identify how the various funds are used.

In examining the funding sources available to the district, we found that its four divisions are financed by bridge toll revenues, passenger fares from transit services, and state and federal operating assistance funds. Further, it appears that the district has complied with the requirements for spending state and federal funds.

Our review also disclosed that the district has a formal plan for allocating revenue from bridge tolls. This revenue is applied to fund the total cost of maintaining and operating the Golden Gate Bridge. After passenger fares and state and federal operating funds have been spent, excess bridge toll revenues are used to subsidize transit operations.

Further, we found the levels of compensation and benefits paid to members of the district's board of directors and the district's general manager are comparable to those of the five districts we surveyed. Also, we found that the district's travel policies and costs are comparable to those of the other districts surveyed.

In addition, we provide information on the district's memberships in professional organizations, the cost of the district's lobbying activities in California and Washington, D.C., and the ferryboat ridership and the per passenger amount of subsidy from bridge tolls.

Finally, we found that the district's affirmative action program meets all applicable civil rights requirements. Specifically, the district's Equal Employment Opportunity Program and its Minority Business Enterprise Program have been certified by the Federal Urban Mass Transportation Administration as meeting or exceeding civil rights requirements.

INTRODUCTION

In response to a request by the Joint Legislative Audit Committee, we answered specific questions asked about the Golden Gate Bridge, Highway and Transportation District (district). This review was conducted under the authority vested in the Auditor General by Sections 10527 through 10528 of the Government Code.

This report addresses a series of questions regarding the district's accounting methods and controls over revenues and expenditures. It also addresses several questions concerning the compensation and benefits received by the district's directors and staff and the district's reimbursement policies and costs for travel and business expenses. The report also provides detailed information about the district's memberships in professional organizations, cost of lobbying activities, ferryboat ridership, and per passenger bridge toll subsidy of ferry operations. Finally, the report discusses the district's compliance with affirmative action requirements.

Background

The Golden Gate Bridge, Highway and Transportation District is a special district within the State of California. The district operates and maintains the Golden Gate Bridge and also provides public transit services within Marin and Sonoma counties, and among San Francisco, Marin, and Sonoma counties.

In 1923, the California Legislature provided for the formation of the district; the district was formally established in 1928. The primary purpose of the district was to construct and operate a bridge between San Francisco and Marin counties. This bridge is now known as the Golden Gate Bridge. In 1969, the Legislature authorized the district to operate public transportation services to alleviate the heavy traffic on the bridge and its approaches. Shortly thereafter, the district established a bus transit system, including club buses and a ferry transit system. In recent years, it has begun offering a ridesharing service that organizes commuters into carpools and vanpools.

The Golden Gate Bridge, Highway and Transportation District is organized into four operating divisions. The Bridge Division, which is financed by bridge tolls, operates and maintains the Golden Gate Bridge. The Bus Division and the Ferry Division are responsible for operating and maintaining

the district's 258 buses and 4 ferryboats. These operations are financed primarily by passenger fares and excess bridge tolls; they also receive some federal and state revenues. The Ridesharing Division promotes all modes of ridesharing and finances its operations primarily through user charges, bridge toll subsidies, and federal funds.

As specified by the Legislature, the district is managed by a board of directors, consisting of 19 members, who represent the counties within the district. There are nine directors representing San Francisco City and County, four directors representing Marin County, three representing Sonoma County, and one director each representing Napa, Mendocino, and Del Norte counties. The board of directors holds regular meetings twice each month and schedules additional meetings as required. The meetings are subject to public notice and are open to the public.

State law requires the board of directors to appoint a general manager for the district. The general manager has full charge and control over the construction, maintenance, and operation of all projects of the district.

Scope and Methodology

This report answers specific questions relating to the adequacy of the Golden Gate Bridge, Highway and Transportation District's revenue and expenditure records, the compensation levels of the members of the district's board of directors and senior management, the district's travel and business expense costs and reimbursement policy, and the district's memberships in professional organizations and the associated costs of these memberships. It also provides information on the cost of the district's lobbying activities, the point of origin of ferryboat riders, the levels of bridge toll revenue subsidies of ferryboat operations, and the district's conformance with affirmative action requirements.

We based our answers to these questions on a review of the district's records for the 1980-81 fiscal year. We relied, in part, on an independent audit recently completed by a local public accounting firm. This firm's audit report, which contained an unqualified opinion, indicated that the district's reporting of revenues and expenditures for the 1980-81 fiscal year is fairly stated. We interviewed the audit manager to determine the extent to which the firm tested the district's records in determining whether the district spent funds in compliance with state and federal funding requirements.

We also interviewed officials of the Metropolitan Transportation Commission, which acts as the regional planning agency for transit operators in the San Francisco Bay Area, to identify the controls imposed on the district by the commission. Further, we examined the applicable sections of the Streets and Highways Code that govern the management and operation of the Golden Gate Bridge, Highway and Transportation District. We also examined the Federal Urban Mass Transportation Act and the State Transportation Development Act for requirements applicable to the district.

We contacted the professional organizations to which the district belongs to determine the purpose of these organizations. Finally, we telephoned selected transit districts to learn the amounts of compensation and types of benefits they offer to their directors and managers and to gather information on their travel reimbursement policies and costs; we compared this information to the information we collected for the Golden Gate Bridge, Highway and Transportation District.

STUDY RESULTS

I

REVIEW OF THE DISTRICT'S REPORTING OF REVENUES AND EXPENDITURES

We were asked a series of questions regarding the district's financial records. We found that the district's financial records permit a thorough evaluation of revenue and expenditures and that the revenue from various sources is commingled in a single cash account. We identified the funding sources for the various operations and the restrictions on these funding sources. It appears that the funds are being spent in conformance with the terms under which they were received. Finally, we found that the district has a predetermined plan for allocating bridge toll revenues.

Assessment of Revenue and Expenditure Records

In reviewing the district's financial records, we found that these records include enough detail to permit a thorough review of revenue and expenditures. Detailed in the records are revenue and expenditures for each division and for specific jobs and various operations within the divisions. For

example, for the Bus Division, the district accounts for expenses and revenue by bus route because there are restrictions on using district funds for bus routes.

Additionally, the records provided enough information to evaluate whether the district is spending grant funds in accordance with grant terms. The district's independent auditor indicated that the records were in sufficient detail to allow completion of required financial and compliance reviews.

Commingling of Funds

Our review disclosed that the district deposits revenue from various sources in a single cash account but that it accounts for the use of these funds in detail. Revenue is recorded in the accounts according to the project and division for which the revenue is received. The district initially funds operating expenses with available cash balances because state and federal monies are generally applied for and received as a reimbursement of expenditures made.

Restrictions on Operating Funds

In response to questions about restrictions on the district's operating funds, we identified the various operating revenues of the district and the rules that restrict the use of

these revenues. This section discusses how the district's four divisions are funded and details the restrictions that apply to state and federal funds. Additionally, this section examines whether the district is spending revenue in conformance with the various funding restrictions, and it reviews the district's policies for allocating operating revenue among its divisions.

The district's four operating divisions are financed by bridge toll revenues, passenger fares generated by the transit services, and operating assistance funds from the State and from the Federal Government.* The maintenance and operation of the Bridge Division is financed wholly with revenue from bridge tolls. The operations of the Bus Division and the Ferry Division are financed with passenger fares, excess bridge toll revenues, and state and federal operating assistance funds. Finally, the Ridesharing Division is financed through user charges, excess bridge toll revenues, and federal funds. Table 1, which follows, depicts the district's sources of operating revenue for fiscal year 1980-81.

* State operating assistance is derived from State Transportation Development Act funds, while federal operating assistance is financed by Federal Urban Mass Transportation Act funds.

TABLE 1
SOURCES OF FUNDING FOR OPERATING
EXPENDITURES FOR EACH DIVISION OF THE
GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION
DISTRICT FOR FISCAL YEAR 1980-81

<u>Source</u>	<u>Bridge Division</u>		<u>Bus Division</u>		<u>Ferry Division</u>		<u>Ridesharing Division</u>	
Bridge Tolls	\$8,940,530	100%	\$ 4,845,860 ^a	23%	\$4,207,137 ^a	51%	\$674,382 ^a	45%
Passenger Fares	--	--	11,048,423	51%	2,860,595	35%	719,530	57%
State Transportation Development Act Funds	--	--	4,628,346	21%	770,618	9%	--	--
Federal Urban Mass Transit Act Funds	--	--	1,129,754	5%	425,496	5%	124,644	8%
Total	<u>\$8,940,530</u>	<u>100%</u>	<u>\$21,652,383</u>	<u>100%</u>	<u>\$8,263,846</u>	<u>100%</u>	<u>\$1,518,556</u>	<u>100%</u>

^a Bridge tolls subsidize these divisions.

As shown in the table, passenger fares finance approximately 51 percent of the Bus Division's operations and 35 percent of the Ferry Division's costs. Also, 23 percent of the bus costs and 51 percent of the ferry costs are funded by excess bridge toll revenues. State operating funds cover 21 percent of the Bus Division's costs as well as 9 percent of the Ferry Division's operations, while federal operating funds finance 5 percent of the costs of the Bus Division and the Ferry Division.

There are numerous restrictions imposed on state and federal monies used to fund the operations of mass transportation services as a result of the multi-agency planning and budgeting process that is, in this instance,

directed by the Metropolitan Transportation Commission. The Metropolitan Transportation Commission, located in the San Francisco Bay Area, is that region's metropolitan planning organization for federal funds and transportation planning agency for state funds. This commission establishes priorities for the funding of regional projects and then oversees the individual districts and counties to ensure that they meet these regional priorities.

There are several transportation districts within the San Francisco Bay Area region, including the Golden Gate Bridge, Highway and Transportation District. These districts, along with the counties they serve, must coordinate their claims for state and federal funds, a process that the commission oversees. These entities prepare several documents to support their coordinated claims. Specifically, the commission's regional five-year plan and the districts' five-year plans, as well as district and county budgets, agreements, and grant applications, support the commission's allocation of funds. These documents later provide the commission with a basis for reviewing the use of these funds.

The Metropolitan Transportation Commission allocates funds based upon state and federal funding formulas and restrictions, regional priorities, and the documents just discussed. Following the allocation of funds, the commission

conducts periodic reviews to ensure that the funds are being spent appropriately. Additionally, an independent audit of district records is conducted annually by a local firm.

After reviewing the independent audit, researching governing laws and district policies, and interviewing staff of the commission, we found that the district appears to be in compliance with appropriate funding requirements.

District Policies for Allocating Operating Revenue

We found that the district has a formal plan for allocating operating revenues. Revenue from bridge tolls is first applied to fund 100 percent of the maintenance and operation costs of the bridge. Excess bridge toll revenues are then made available to subsidize transit operations after revenue from passenger fares has been spent. The district sets bridge tolls at a rate that will generate revenues to subsidize transit operations and thus help reduce traffic congestion on the bridge.

The district's formula for allocating bridge tolls to the Bus Division, the Ridesharing Division, and the Ferry Division is based upon the counties where the toll payers

reside.* State and federal operating funds are then allocated to the bus and ferry operations as specified in the district's funding applications. The district finances any remaining deficits by increasing fares, billing counties for the additional amounts when appropriate, decreasing the level of service, or using remaining unrestricted reserves of bridge toll revenues.

The district, in its five-year transportation plan, advocates that transit should be financed, to the extent possible, from its own fare revenues. The district is aware that using bridge toll revenues to subsidize the costs of transit operations could create public controversy. Thus, before the district raises bridge tolls, it will encourage ridesharing, seek ways to reduce costs, and set transit fares at levels compatible with effective services.

* The district establishes the county of residence of toll payers by periodically conducting surveys of the vehicles crossing the bridge.

II

COMPARISON OF COMPENSATION AND BENEFITS RECEIVED BY DISTRICT DIRECTORS AND MANAGERS WITH THOSE RECEIVED IN OTHER DISTRICTS

The Legislature asked how the compensation and benefits received by the bridge district's directors and managers compare with those received by the directors and managers of similar transit districts.* We found that the bridge district's directors and general manager receive compensation and benefits comparable to those offered by the five transit districts we surveyed.

To gather data for this comparison, we surveyed five other transportation districts that are managed by boards of directors. We gathered information on the composition of the board and the compensation and benefits provided to the directors, the general managers, and the managers who are equivalent to the operating manager of the bridge district's Bus Division.

The compensation of the members of the bridge district's board of directors is specified in the Streets and Highways Code. Each director receives \$50 per meeting.

* In this section, we refer to the Golden Gate Bridge, Highway and Transportation District as "the bridge district" to distinguish it from the other transit districts we contacted.

Directors may receive no more than \$3,600 each year, with the exception of the president of the board who may receive a maximum amount of \$5,000 per year.

We found that the compensation received by directors of the bridge district is comparable to that received by the directors of the five districts surveyed. The level of compensation, including that received by the bridge district's directors, was \$50 per meeting. The maximum yearly compensation ranged from \$2,400 to \$6,000.

While serving on the bridge district's board, directors receive many of the same basic benefits as do other employees. These benefits include a health care plan, a \$10,000 life insurance plan, a dental plan, a prescription drug plan, and a vision care plan. The bridge district also has a travel accident insurance policy that covers the directors and other selected officers while traveling on district business. Finally, while serving on the board, directors are given a pass that allows them free passage across the bridge or on buses or ferries. When a director leaves the board, all benefits paid by the district are terminated. However, if a director serves more than five years, he or she can elect to contribute to and maintain a health plan. Our review found that directors of

three of the five districts we surveyed receive comparable benefit packages. Appendix A compares the compensation and benefits of these directors.

The bridge district is managed by a general manager who serves at the pleasure of the board of directors. The general manager has full charge and control of the bridge district's projects, including construction, maintenance, and operations. The general manager for the bridge district earns an annual salary of \$62,855. General managers of the five districts we contacted received from \$60,000 to \$82,000 yearly. Thus, the compensation received by the general manager of the bridge district falls within the range provided by the other five districts. Four districts, however, provided higher salaries.

In the Golden Gate Bridge, Highway and Transportation District, the general manager and the division managers share the same benefit package as the directors. In addition, the bridge district provides the general manager and certain other district officers with a travel insurance plan and a car to use while conducting district business. As shown in Appendix A, page A-2, the five districts we surveyed provided similar benefits to management.

III

COMPARISON OF THE DISTRICT'S TRAVEL POLICY AND COSTS WITH THOSE OF OTHER DISTRICTS AND THE STATE OF CALIFORNIA

We were asked to compare the total amount of travel and business expenses incurred by bridge district directors and staff with those expenses incurred in similar districts.* We found that the bridge district's actual expenses were in the middle of the expense range for the districts surveyed. Additionally, we were asked to compare the bridge district's travel expense rate to the State of California's per diem rate. Our comparison of lodging rates showed the bridge district's costs to be similar to the State's costs.

Comparison of the Bridge District's Total Expenses to Other Districts' Expenses

We reviewed the bridge district's accounting records to determine the total reimbursements paid to directors and staff for all travel and business expenses. We found that in fiscal year 1980-81, the bridge district spent a total of \$105,500 for travel and business expenses. We contacted five

* In this section, we again refer to the Golden Gate Bridge, Highway and Transportation District as "the bridge district" to distinguish it from the other transit districts we surveyed.

similar transit districts and asked for information about the total reimbursements they paid to directors and staff for travel and other business expenses for the 1980-81 fiscal year. The following table shows the expenses of the districts surveyed.

TABLE 2
TOTAL TRAVEL AND BUSINESS EXPENSES
OF TRANSIT DISTRICTS FOR FISCAL YEAR 1980-81

<u>District</u>	<u>Amount^a</u>
Southern California Rapid Transit District	\$313,916
Bay Area Rapid Transit District	\$192,952
Golden Gate Bridge, Highway and Transportation District	\$105,500
Alameda-Contra Costa Transit District	\$ 99,956
Sacramento Regional Transit District	\$ 47,730
San Mateo County Transit District	\$ 27,394

^a Except for the bridge district, these amounts were obtained in a phone survey and are unaudited figures.

The amounts presented above do not permit a valid comparison because the districts differ considerably. The districts vary in geographic size, type of service, and the transit modes they employ. For example, the Golden Gate Bridge, Highway and Transportation District operates bridge and ferry services, whereas the Bay Area Rapid Transit District operates a train service. Further, the other districts

primarily provide bus services. Depending upon the modes of transit that it offers, each district has special associated costs for travel to specialized trade and professional conferences and meetings. Additionally, because the above information was obtained in a phone survey, it was not audited and we do not know the detailed types of travel included in the amounts.

Comparison of the District's
Policies on Travel and Business
Expense Reimbursement to Those
of Other Districts and
the State of California

We surveyed five other transit districts to determine their policies on reimbursing directors and employees for travel and other business expenses. We also reviewed the reimbursement policies of the State of California. We found that, in all cases, the districts allow reimbursement for actual expenses and that the bridge district also adheres to this policy. The State, however, pays a per diem reimbursement rate.

The Streets and Highways Code allows members of the bridge district's board of directors to be reimbursed for necessary travel expenses incurred in the performance of their duties. Under its authority to adopt rules and fix compensation levels of employees, the board of directors has

established a formal travel policy allowing bridge district directors and staff to be reimbursed for the actual costs incurred for travel and other business expenses. For employees who use their own vehicles for business purposes, the board has set a reimbursement rate of 22 cents per mile.

The other five districts we surveyed have travel policies that are similar to that of the bridge district. All of the districts allow reimbursement of actual expenses, and in some cases, directors and employees may elect to receive a per diem allowance instead of a reimbursement of actual expenses. The reimbursement rates for mileage range from 18 to 22 cents per mile.

The State of California's policy differs from that of the transit districts we reviewed. The State allows reimbursement of actual expenses only when an employee is traveling out of state or attending a convention. For all other travel, the State bases its reimbursement on a per diem rate. In fiscal year 1980-81, the State allowed \$21 for meals and incidentals in each 24-hour period. For lodging, the State allowed \$25 during the first half of fiscal year 1980-81 and increased its allowance to \$29 for the second half of the

fiscal year.* For mileage, the State's reimbursement rate is from 15 to 21 cents per mile. Appendix B provides a detailed comparison of the travel policies discussed above.

Comparison of the District's
Travel Expense Rate to the
State of California Per Diem Rate

We reviewed the travel claims of district directors and managers who travel frequently to compare the bridge district's travel costs with the State's per diem allowance.** We were unable to construct a per diem rate for the district that is comparable to the State's per diem rate because the policies of the district and the State are different. In contrast to the State, the district reimburses employees for the actual expenses they incur; the detailed information it requires on reimbursement claims is not the same as that required by the State. For example, the district does not require employees to include hours of departure and return on the reimbursement claims; consequently, it was impossible to determine a rate based on a 24-hour cycle. Further, individuals will often combine the costs of meals on one

* After January 5, 1981, the State allowed up to \$35 per night for lodging in certain designated areas of San Francisco, Los Angeles, and San Diego.

** For purposes of this comparison, we reviewed only in-state, nonconvention travel because the State's per diem allowances apply only to this type of travel.

receipt. And finally, there are items on the reimbursement claims that are not supported by receipts because the bridge district does not require a receipt for amounts less than \$25.

The only item on the bridge district's reimbursement claim that was comparable to the State's per diem allowance was the lodging rate. We therefore compared the average lodging rate for bridge district travelers to the State's per diem allowance for lodging. For fiscal year 1980-81, we found that the average lodging rate reimbursed by the district was \$29. For the first half of fiscal year 1980-81, the State's per diem rate for lodging was \$25; it was increased to \$29 for the second half of the fiscal year.*

* In certain designated areas of San Francisco, Los Angeles, and San Diego, the State allows up to \$35 per night for lodging. Only one of the lodging bills we reviewed was for one of these designated areas; therefore, it was excluded from the computation of the average.

IV

REVIEW OF THE DISTRICT'S MEMBERSHIPS IN PROFESSIONAL ORGANIZATIONS AND THE ASSOCIATED COSTS

We were asked to identify the trade and professional organizations that the district belongs to, the purpose of each organization, and the expenses of belonging to these organizations. In fiscal year 1980-81, the district was a member of ten professional and trade organizations. Based upon our review, we estimate that the total cost of these memberships, including annual dues and related travel and business expenses, was \$93,830. The organizations to which the district belonged and the associated costs of membership are shown in the following table.

TABLE 3
ESTIMATED COSTS OF MEMBERSHIPS
IN PROFESSIONAL ORGANIZATIONS
FOR FISCAL YEAR 1980-81

<u>Organization</u>	<u>Annual Dues</u>	<u>Related Travel and Business Expenses</u>	<u>Total</u>
American Public Transit Association	\$ 9,967	\$19,762	\$29,729
Redwood Empire Association	25,000	-0-	25,000
International Bridge, Tunnel, and Turnpike Association	3,959	14,058	18,017
San Francisco Convention and Visitors Bureau	9,300	-0-	9,300
International Marine Transit Association	125	4,271	4,396
California Association of Publicly Owned Transit Systems	2,300	1,414	3,714
California Special Districts Association	800	-0-	800
National Association of Van Pool Operators	100	1,583	1,683
Federated Employers of the Bay Area	950	-0-	950
Regional Transit Association	<u>-0-</u>	<u>241</u>	<u>241</u>
Totals	<u>\$52,501</u>	<u>\$41,329</u>	<u>\$93,830</u>

The functions of the organizations to which the district belongs vary. For example, as part of their functions, the American Public Transit Association and the California Association of Publicly Owned Transit Systems represent the common interests of their membership in federal and state legislative sessions; thus, in part, they are

lobbying organizations. Others, such as the Redwood Empire Association and the San Francisco Convention and Visitors Bureau, provide their membership with promotional, tourism, and marketing services. Still others, like the International Bridge, Tunnel, and Turnpike Association and the International Marine Transit Association, are technical organizations that provide members with technical information gathered through research and through exchanges with other organizations. Appendix C gives a detailed description of the functions of each organization.

REVIEW OF THE COST TO
THE DISTRICT FOR STATE AND
FEDERAL LOBBYING ACTIVITIES

The Legislature asked that we report the amount that the district spends for lobbying activities in Sacramento and Washington, D.C. By examining accounting records and supporting documents, we found that in fiscal year 1980-81, the district spent \$40,200 for 12 months of lobbying services in California and \$6,000 for 3 months of lobbying services in Washington, D.C. These figures do not include the cost of any lobbying effort carried on by organizations of which the district is a member (i.e., the organizations mentioned in the preceeding section).

The district has two contracts for lobbying services, one with a lobbying firm in Sacramento, California, and the other with a lobbying firm in Washington, D.C. The district has contracted with the California firm to provide administrative and legislative representation at appropriate meetings, representation during the state legislative session, and a complete legislative reporting service. The purpose of the contract with the Washington, D.C., firm is to provide the district with federal legislative advocacy services regarding the authorization and appropriation of transit funding as well

as any allocation criteria affecting the district. Additionally, the firm provides legislative reporting services and monitors the commitment of federal funds to the district for the bridge deck replacement project. The district has renewed these contracts for fiscal year 1981-82. Under the new contracts, the California firm is to provide 6 months of services for a total cost of \$20,100, and the Washington, D.C., firm is to provide 12 months of services for a total cost of \$18,000.

VI

SURVEY OF FERRYBOAT RIDERS AND THE PER PASSENGER SUBSIDY OF FERRY OPERATIONS FROM BRIDGE TOLL REVENUES

We were asked to provide information on the cities or towns from which ferryboat riders originate and the riders' mean salary levels. In addition, the Legislature asked for ferryboat passenger counts for the years of ferryboat operation, the number of riders who are commuters versus the number who are tourists, and the per passenger bridge toll subsidy for each year. The district has two ferryboat services: one between Larkspur and San Francisco and the other between Sausalito and San Francisco.

We found that data necessary to answer these questions in their entirety were not available. The only data available addressing the points of origin of ferryboat riders and their mean salary levels are contained in an April 1980 marketing study that was conducted by a local research firm. The study was limited to commuters on the Larkspur ferry only, and it specifically excluded tourists. We were unable to identify the number of tourists riding the ferries because the district does not collect this information. Thus, the data in the following section apply only to the daily commuters on the Larkspur service.

Points of Origin and
Mean Salary Levels
of Ferryboat Passengers

In April 1980, a local research firm conducted a study to provide the district with data it needed for its marketing plan. This study included information on the points of origin and the mean salary levels of commuters on the district's Larkspur ferry. Table 4 shows, by percentage, the communities from which the sample of 302 commuters originated.

TABLE 4

POINTS OF ORIGIN OF A SAMPLE OF
302 COMMUTERS ON THE LARKSPUR FERRY, APRIL 1980

<u>Community</u>	<u>Ferryboat Riders</u>
San Rafael	43%
Larkspur	11
Novato	10
Greenbrae	9
Corte Madera	7
San Anselmo	5
Kentfield	3
Fairfax	3
Mill Valley	2
Ross	2
Marinwood	1
Lucas Valley	1
Other communities and nonreponses to survey questions	<u>3</u>
Total	<u><u>100%</u></u>

In addition, the study showed that, of the sample of 302 commuters surveyed on the Larkspur ferry, 7 percent had an annual income of under \$15,000, 18 percent had an annual income

of between \$15,000 and \$24,999, 23 percent had an annual income of between \$25,000 and \$35,000, and 50 percent had an annual income of over \$35,000. These percentages do not total 100 percent because of rounding and nonresponses to the survey question.

Number of Ferryboat
Passengers and Per
Passenger Bridge Toll
Subsidy Level

From the district, we obtained the number of passengers traveling on the ferries for each year of operation since the ferries began service in 1969. Using the amount of bridge toll revenues received by the Ferry Division for operations each year, we computed the amount that ferry operations were subsidized, per passenger, by bridge toll revenues. The following table shows the number of passengers carried and the subsidy level per passenger.

TABLE 5
NUMBER OF FERRYBOAT PASSENGERS
AND THE PER PASSENGER BRIDGE TOLL
SUBSIDY OF FERRY OPERATIONS

<u>Fiscal Year</u>	<u>Number of Passengers</u>	<u>Subsidy Per Passenger</u>
1969-70	150,000	\$.71
1970-71	716,000	\$.71
1971-72	1,092,000	\$.46
1972-73	984,870	\$.31
1973-74	1,061,494	\$.43
1974-75	1,087,804	\$.45
1975-76	1,103,810	\$.50
1976-77	1,708,321	\$ 1.33 ^a
1977-78	2,142,448	\$ 1.87
1978-79	2,059,908	\$ 1.59
1979-80	1,117,508	\$ 2.53
1980-81	1,816,731	\$ 2.32

^a Gas turbine ferryboats added.

VII


DISTRICT'S COMPLIANCE WITH AFFIRMATIVE ACTION REQUIREMENTS

The Legislature asked whether the Golden Gate Bridge, Highway and Transportation District is meeting affirmative action requirements for public agencies. By reviewing and verifying the accuracy of the district's reports to the control agency, and by examining the control agency's reviews and approvals of the district's affirmative action program plan, we found that the district is meeting or exceeding applicable affirmative action requirements.

Various federal and state laws require the district to institute hiring procedures that eliminate discrimination against persons because of race, color, sex, religion, or national origin. Among these laws are Title VI and Title VII of the Civil Rights Act of 1964, the Urban Mass Transportation Act of 1964, and the California Fair Employment and Housing Act. The district has complied with these hiring provisions by adopting the Equal Employment Opportunity Program and the Minority Business Enterprise Program.

The Federal Urban Mass Transportation Administration is responsible for monitoring the district's affirmative action program. This is the agency that grants federal funds to the district. As a part of its role, this federal agency reviews and approves the district's affirmative action plan and conducts program compliance reviews. In a recent letter to the district, the federal agency's regional director of civil rights noted that the district's Equal Employment Opportunity Program and Minority Business Enterprise Program have been certified as meeting or exceeding all of the civil rights requirements. The letter further stated that the district's record for meeting the goals of the Minority Business Enterprise Program was outstanding. Finally, the letter indicated that the Equal Employment Opportunity Program has made progress each year.

Respectfully submitted,


THOMAS W. HAYES
Auditor General

Date: February 17, 1982

Staff: Thomas A. Britting, Audit Manager
Karen A. Nelson
Kathleen L. Crabbe
Eileen I. Worthley



GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT

DALE W. LUEHRING
GENERAL MANAGER

February 17, 1982

Mr. Thomas W. Hayes
Auditor-General
State of California
660 J Street - Suite 300
Sacramento, California 94129

Dear Mr. Hayes:

Reference your letter of February 9, 1982, we have reviewed the draft copy entitled, "The Golden Gate Bridge, Highway and Transportation District: Response to Questions Posed by the Legislature," and would comment as follows:

SUMMARY, Page i, 1st Paragraph

In addition to operating public transit services in Marin, Sonoma, and San Francisco Counties, the District also provides club bus and ridesharing services to Napa County.

Page 8, 2nd Paragraph

While the maintenance and operation of the Bridge Division has in the past been financed wholly with revenue from Bridge tolls, the District has been successful in getting a federal FHWA grant in the amount of \$40 million to replace the Bridge Deck.

Page 9, 1st Paragraph

The report is correct in that passenger fares for FY 1980-81 covered 51 percent of the Bus Division's operations and 35 percent of the Ferry Division's costs, 23 percent of the Bus costs and 51 percent of the ferry costs were funded by excess Bridge toll revenues, and State operating funds covered 21 percent of the Bus Division's costs as well as 9 percent of the Ferry Division's operations.

Page 9, 1st Paragraph (Continued)

These numbers can be very misleading, though, in that they compare the overall Bus operations to the Ferry operations. Under State law, the counties must pay for the local or intra-county services. As a large portion of the Bus passengers and costs are local, direct comparisons to the Ferry system, which is entirely inter-county, will be highly misleading. To be correct, Ferry inter-county figures should be compared to Bus inter-county figures.

We should further point out that budget figures for FY 1981-82 reflect a 46% farebox recovery for the Ferry system, and the District is presently in the process of converting the propulsion systems on the Larkspur ferries to diesel power to significantly reduce Ferry operating expenses.

Page 17, 2nd Paragraph

In addition to the Bridge and Ferry services, the District operates regular Bus services, contracts for privately-operated club buses, and provides ridesharing services.

Page 23, Table 3

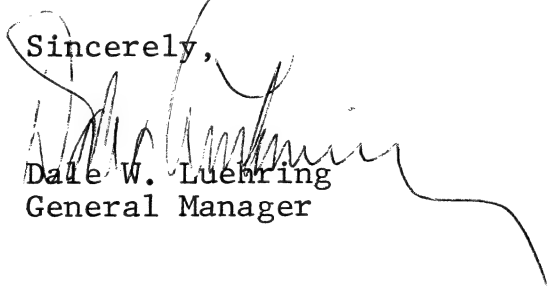
With reference to the Redwood Empire Association, annual dues in FY 1981-82 were reduced from \$25,000 to \$12,500.

Page 31, Table 5

In looking at the figures for FY 1979-80, it should be noted that during this year there was a labor strike from July through October of 1979 which reduced the number of passengers and increased the subsidy per passenger.

We appreciated the opportunity to review your draft report.

Sincerely,


Dale W. Luenning
General Manager

DWL:jsb

COMPARISON OF COMPENSATION AND BENEFITS
RECEIVED BY TRANSIT DISTRICTS' DIRECTORS

	Golden Gate Bridge, Highway and Transportation District	San Mateo County Transit District	Bay Area Rapid Transit District	Alameda Contra Costa Transit District	Southern California Rapid Transit District	Sacramento Regional Transit District
Composition of District Boards and Compensation						
Number of Directors	19	9	9	7	11	7
Method of selection	appointed	appointed	elected	elected	appointed	appointed
Compensation per meeting	\$50	\$50	\$50	\$50	\$50	\$50
Maximum annual compensation						
President of board	\$5,000	\$1,200	\$8,000	\$4,200	\$6,000	\$2,400
Directors	\$3,600	\$1,200	\$3,000	\$3,000	\$6,000	\$2,400
<u>Benefits</u>						
Health care plan	X		X	X	X	
Life insurance plan	X		X		X	
Travel insurance plan	X					
Retirement plan			X			
District car						
Free transportation on transit services	X	X	X	X	X	X
Sick leave and holidays						

COMPARISON OF COMPENSATION AND BENEFITS
RECEIVED BY TRANSIT DISTRICTS' MANAGERS

	<u>Golden Gate Bridge, Highway and Transportation District</u>	<u>San Mateo County Transit District</u>	<u>Bay Area Rapid Transit District</u>	<u>Alameda Contra Costa Transit District</u>	<u>Southern California Rapid Transit District</u>	<u>Sacramento Regional Transit District</u>
<u>Managers and Compensation</u>						
General Manager (annual salary)	\$62,855	\$65,000	\$69,000	\$64,956	\$82,000	\$60,000
Operating Manager (annual salary)	\$46,860 to \$56,652 ^a	\$37,956 to \$49,476	\$40,548 to \$62,856	\$49,560 to \$54,672	\$61,383	\$37,044 to \$46,800
<u>Benefits</u>						
Health care plan	X	X	X	X	X	X
Life insurance plan	X	X	X	X	X	X
Travel insurance plan	X					
Retirement plan	X	X	X	X	X	X
District car	X	X			X	
Free transportation on transit services	X	X	X	X	X	X
Sick leave and holidays	X	X	X	X	X	X

^a For comparison we used the manager of district Bus Division because no other district has a bridge or ferry operation.

COMPARISON OF TRAVEL REIMBURSEMENT
POLICIES OF TRANSIT DISTRICTS AND
THE STATE OF CALIFORNIA

Item of Travel Expense (per day amounts)	Golden Gate Bridge, Highway and Transportation District	State of California	San Mateo County Transit District	Bay Area Rapid Transit District	Alameda Contra Costa Transit District	Southern California Rapid Transit District	Sacramento Regional Transit District
Meals and Incidentals	actual	\$21.00 ^a	\$25/actual ^b	\$20/actual ^b	\$25/actual ^b	\$35/actual ^c	actual
Lodging	actual	\$25-35 ^d	actual	actual	actual	actual	actual
Transportation	actual	actual	actual	actual	actual	actual	actual
Mileage rate	22¢	15-21¢	20¢	18¢	20¢	22¢	20¢

^a The State will reimburse the actual cost of meals when an employee is attending a convention arranged by a nonstate agency and the expenses are not under the control of the employee.

^b The director or employee may elect to be reimbursed the per diem allowance instead of actual cost.

^c Directors may elect to be reimbursed the per diem allowance.

^d Lodging allowance July 1, 1980 through January 5, 1981, was \$25 per day. Beginning January 6, 1981, it was increased to \$29 per day with the exception of designated high cost areas of San Francisco, Los Angeles, and San Diego; for these areas the State will allow up to \$35 per day. The State will reimburse actual lodging for employees traveling out of state or attending conventions.

MEMBERSHIPS IN PROFESSIONAL ORGANIZATIONS
AND DESCRIPTION OF EACH ORGANIZATION'S FUNCTIONS

The American Public Transit Association is a national organization representing the common interests of the public transit industry. It provides a means for exchange of information including research of technical issues and compliance with equal opportunity employment. It assists members in dealing with special issues, is active in advocating and negotiating new transit legislation, and provides members with frequent status reports on federal regulations.

The California Association of Publicly Owned Transit Systems has traditionally monitored and influenced legislation affecting all aspects of public transportation in California. It has recently expanded its involvement to data gathering and analysis, serving in an advisory capacity to Caltrans, and working with the California Transportation Commission and various advisory committees.

The California Special Districts Association is a statewide trade organization of special districts. These districts are formed to provide a service to constituents within their respective boundaries and are governed by locally elected boards of directors. The association provides legislative representation for its members on issues affecting their responsibilities.

The Federated Employers of the Bay Area is an association of employers and affiliated industry associations. Its purpose is to cooperate with government in matters relating to employer/employee relations, to promote and facilitate meetings of employers to discuss common problems in labor relations, and to encourage equitable pay and good employer-employee labor relations.

The International Bridge, Tunnel, and Turnpike Association serves the individual and collective needs of toll and tax-supported bridges, tunnels, and highways. It is concerned with all aspects of operation and maintenance as well as design and construction of facilities. The association maintains liaison with appropriate branches of government, other agencies, and associations in order that its policies and objectives are adequately represented. In addition, it publishes reports, studies, statistics, and analyses along with a monthly newsletter for its members.

The International Marine Transit Association is a technical association of world-wide ferry operators and ferryboat-related industry. It researches, collects, and exchanges information on developments within and affecting the ferry service industry. It currently serves as a consultant to the Inter-Governmental Maritime Consultative Organization, which influences changes in international law relating to such issues as safety, navigation rules, and pollution. It is also an advisor to the Urban Mass Transportation Administration and assists in coordinating technical research benefiting the industry.

The National Association of Van Pool Operators primarily assists in the development and expansion of ridesharing and vanpooling programs. It provides a forum for the exchange of information, assistance in problem solving, and up-to-date news on ridesharing developments and ideas. It provides its members with a bi-monthly newsletter to further these goals.

The Redwood Empire Association is a Northern California regional group of local governments, businesses, and individuals dedicated to drawing visitors to the area. Originally the organization was active in lobbying for highway funding for the regional road network. It continues to work toward solving existing highway problems and improving area transit facilities. It operates two visitor information centers, provides cooperation with governments, stimulates economic development, and informs visitors and residents on environmental issues.

The Regional Transit Association is an organization composed of the six major transit operators in the San Francisco Bay area. It works together with the Transit Operators Coordinating Council to achieve major transportation objectives for the region. It emphasizes providing services more efficiently with the same resources and making public transit a more attractive way to travel.

The San Francisco Convention and Visitors Bureau promotes tourism in San Francisco by providing information on conventions, trade shows, and pleasure travel. It also operates a visitor information center, provides publicity and media services, and distributes promotional literature to the public. In addition, it offers, as a service to its members, a newsletter, a convention calendar, an advertising schedule, and a marketing research service.

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
California State Department Heads
Capitol Press Corps